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HOUSE BILL 1016

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Daniel R. Foley

AN ACT

RELATING TO TAXATION; ALLOWING INCOME TAX DEDUCTIONS FOR
CERTAIN WITHDRAWALS FROM RETIREMENT TAX SAVINGS ACCOUNTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] DEDUCTION--RETIREMENT TAX SAVINGS
ACCOUNTS.--

A. An individual fifty-nine and one-half years of
age or older may claim a deduction from net income in an amount
equal to all withdrawals from:

(1) a qualified retirement plan as defined in
Section 4974(c) of the Internal Revenue Code;

(2) a deferred compensation plan pursuant to
Section 457(b) of the Internal Revenue Code; and

underscored material = new
[bracketed material] = delete

1 (3) the thrift savings fund pursuant to
2 Section 7701(j) of the Internal Revenue Code.

3 B. An individual under fifty-nine and one-half
4 years of age may claim a deduction from net income in the
5 amount equal to all withdrawals from a plan specified in
6 Subsection A of this section if the withdrawal is to be used
7 for:

8 (1) expenses for medical care as defined in
9 Section 213(d)(1) of the Internal Revenue Code; or

10 (2) qualified higher education expenses as
11 defined in Section 72(t)(7)(A) of the Internal Revenue Code."

12 Section 2. APPLICABILITY.--The provisions of this act
13 apply to taxable years beginning on or after January 1, 2005.

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